# SUCCESSION PLANNING:
Next Level Strategies for Recruiting Talent in the Public Sector

THE SILVER TSUNAMI

- Demographic studies have revealed an impending crisis awaits both the public and private sectors as baby boomers retire over the next decade
- 10,000 people per day reach retirement age
- Vast amounts of institutional history is lost via retirement
- California and Orange County public sector employers will be challenged to timely fill vacancies with high-performing qualified talent

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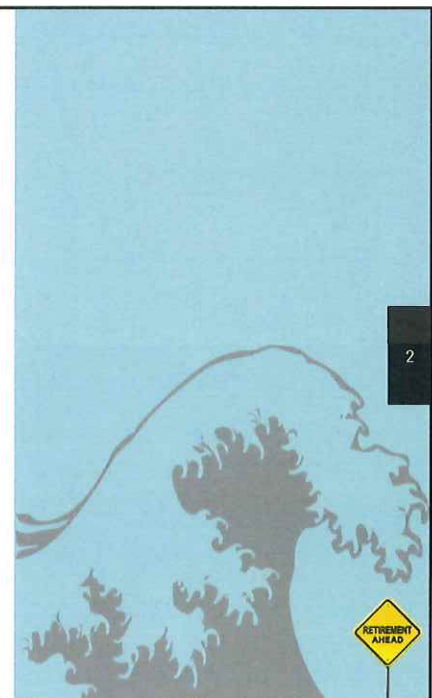
SUPPLEMENTAL COMMUNICATION

Meeting Date: _9-17-2018_

Agenda Item No.: _25 (18-355)_

REGIONAL IMPACTS

▷ As employer's rosters decline, the region will be hard pressed to fill vacancies and recruit new talent to the public sector

▷ Colleges and universities are investing in STEM and other cutting edge technological career fields that may not directly correlate to work in the public sector

▷ As a result, cities in the region will begin to "cannibalize" from the combined talent pool further worsening the situation

SOUTHERN **CALIFORNIA**

San Bernardino

Los Angeles

Orange County

Riverside

San Diego

Imperial

3

CASE IN POINT: HUNTINGTON BEACH

- In the City of Huntington Beach, an entire third of the workforce, 293 staff are eligible to retire today

- These retirements will be across all Departments, including 66 public safety employees

- The resultant impacts will affect both the workforce and local community including:

  - Loss of institutional memory within the organization
  - Increases in overtime spending until vacancies are filled
  - Productivity and performance delays as the organization struggles to run several recruitments at once and perform work done by now retired former employees
  - Increased workloads until vacancies are filled
 - Potential delays in providing service to the public

SUCESSION PLANNING

Succession Planning is the science of maximizing an organization's long term performance by:

▷ Identifying high performing employees within the organization

▷ Investing in training and education to elevate in-house talent

▷ Developing smart and savvy recruiting techniques to attract new talent

▷ Eliminating or reducing administrative barriers for upward advancement for both internal and external candidates

▷ Re-engineering the organizational structure and promotional practices to create opportunities for upward mobility within the organization

▷ Developing creative strategies to attract and reward high performing employees

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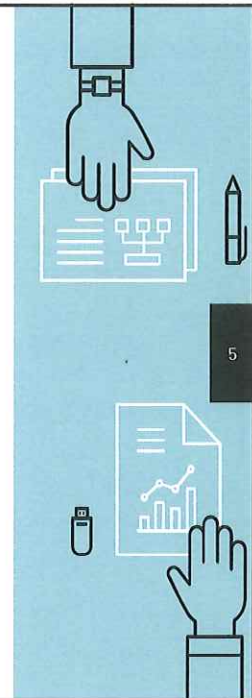
CURRENT HB ORGANIZATIONAL CHANGES

▷ Most departments do not have a "second in command" structure, even within public safety

▷ As retirements become more frequent and occur more quickly, this can lead to a certain degree of organizational instability

▷ Constantly needing to recruit from the outside poses fiscal and administrative challenges

6
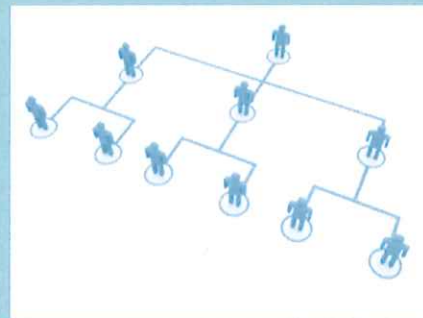
CREATION OF A DEPUTY DIRECTOR STRUCTURE WITHIN DEPARTMENTS

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        DIRECTOR
           |
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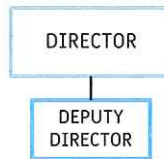
The creation of a Deputy Director classification within the City will allow the City to achieve the following performance improvements:

- A clear and consistent chain of command structure for City Departments
- An identified "second in command" position thereby eliminating confusion both internally and externally as to the position responsible in the absence of a Director
- Create an internal pathway of promotion for high performing staff
- A viable alternative for employees seeking upward mobility as opposed to "finding a job somewhere else"

7

DEPUTY DIRECTOR COMMUNITY DEVELOPMENT

In anticipation of potential future retirements, the City has been creating a clearer chain of command structure in certain City Departments

- Three years ago, the City funded the concept of a new Deputy Director position in the Community Development Department as reflected in the FY 2015/16 adopted budget; a DRAFT classification was also created in 2015
- This action was taken to create a succession plan due to the anticipated departure of the Director within the successive one to two years
- In late 2017, the incumbent Director retired and a nationwide search commenced for a new Director
- The position concept was not moved forward until this time to allow the new Director to review the Department's organizational structure, and make recommendations for improvements

8

NEXT STEPS

Over the next 3-5 years, the escalating rate of retirements throughout the City will create a significant challenge in retaining the City's high performing employees,

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To further address this challenge, the City Manager's Office and Human Resources Department will complete the development of a comprehensive Succession Plan

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This plan will contain recommendations for enhancements in recruitment and retention practices within all levels of the organization

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This plan will contain an evaluation of existing departments and the City's talent pool to identify opportunities for restructuring and challenges to be addressed

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Staff will conduct a Study Session at a future date to unveil the Plan.

9

RECOMMENDED ACTION

To create a more refined chain of command structure, and as part of the development of a comprehensive succession plan for the Community Development Department, Staff recommends that the City Council approve the following:

- Approve the Ordinance Modifying the Municipal Code
- Approve the Resolution Creating a New Deputy Director Classification
- Approve the Employment Agreement for the Recommended Candidate

10